

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
TOWN OF BATTLE GROUND
TIPPECANOE COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
11/12/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Phyllis Hall

01-01-04 to 12-31-11

President of the
Town Council

Steve C. Egly

01-01-06 to 12-31-08



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BATTLE GROUND, TIPPECANOE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Battle Ground (Town), for the period of January 1, 2006 to December 31, 2007. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The schedule has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

September 25, 2008

TOWN OF BATTLE GROUND
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 224,366	\$ 273,822	\$ 258,205	\$ 239,983
Motor Vehicle Highway	17,014	76,710	69,852	23,872
Local Road and Street	28,535	68,652	57,273	39,914
Battle Ground Walking Tours	818	-	110	708
Ordinance Violations	1,304	268	-	1,572
Law Enforcement Continuing Education	696	211	125	782
Riverboat	21,189	8,432	3,909	25,712
Rainy Day	1,710	202	-	1,912
Battle Ground Economic Development	361	205	-	566
Donation	31	-	-	31
Cumulative Capital Improvement	15,509	4,835	-	20,344
CEDIT	47,431	34,306	16,831	64,906
Cumulative Capital Development	29,427	14,169	5,000	38,596
Street Project	54,856	24,950	31,171	48,635
Proprietary Funds:				
Wastewater Utility - Operating	614,282	286,510	286,609	614,183
Wastewater Utility - Depreciation	10,960	1,812	201	12,571
Wastewater Utility - Bond and Interest	3,518	47,704	46,793	4,429
Wastewater Utility - Reserve	43,455	-	3,846	39,609
Wastewater Utility - Customer Deposit	22,269	2,362	5,896	18,735
Fiduciary Fund:				
Payroll	22,504	209,068	211,733	19,839
Totals	<u>\$ 1,160,235</u>	<u>\$ 1,054,218</u>	<u>\$ 997,554</u>	<u>\$ 1,216,899</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 239,983	\$ 275,762	\$ 286,913	\$ 228,832
Motor Vehicle Highway	23,872	109,080	98,681	34,271
Local Road and Street	39,914	40,420	64,705	15,629
Battle Ground Walking Tours	708	117	-	825
Ordinance Violations	1,572	29	-	1,601
Law Enforcement Continuing Education	782	624	-	1,406
Riverboat	25,712	13,656	17,676	21,692
Rainy Day	1,912	29	-	1,941
Battle Ground Economic Development	566	-	566	-
Donation	31	-	-	31
Cumulative Capital Improvement	20,344	4,925	16,045	9,224
CEDIT	64,906	35,154	77,810	22,250
Cumulative Capital Development	38,596	13,571	19,000	33,167
Street Project	48,635	1,913	-	50,548
Proprietary Funds:				
Wastewater Utility - Operating	614,183	385,390	360,747	638,826
Wastewater Utility - Depreciation	12,571	2,000	-	14,571
Wastewater Utility - Bond and Interest	4,429	22,989	22,988	4,430
Wastewater Utility - Reserve	39,609	-	-	39,609
Wastewater Utility - Customer Deposit	18,735	2,679	2,387	19,027
Fiduciary Fund:				
Payroll	19,839	183,813	178,690	24,962
Totals	<u>\$ 1,216,899</u>	<u>\$ 1,092,151</u>	<u>\$ 1,146,208</u>	<u>\$ 1,162,842</u>

The accompanying notes are an integral part of the financial information.

TOWN OF BATTLE GROUND
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, culture and recreation, wastewater services, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF BATTLE GROUND
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

TOWN OF BATTLE GROUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Wastewater Utility		
Revenue bonds:		
Sewage Works Refunding Revenue Bonds of 2002	\$ 33,400	\$ 23,106
Total Wastewater Utility	33,400	23,106
Total business-type activities debt:	<u>\$ 33,400</u>	<u>\$ 23,106</u>

TOWN OF BATTLE GROUND
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS (Wastewater Utility)

The Utility does not maintain sufficient detailed records of capital assets for its Utility Plant in Service accounts. Records providing historical costs for some of the Utility's capital assets are not available, and records classifying and summarizing the Utility's capital assets are incomplete. Deletions or disposals of capital assets are not recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for audit or were incorrect. At December 31, 2007, the reconciled bank balance was \$395.25 greater than the record balance

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

TOWN OF BATTLE GROUND
EXIT CONFERENCE

The contents of this report were discussed on September 25, 2008, with Phyllis Hall, Clerk-Treasurer. The official concurred with our findings.